



1801 45th Street P.O. Box 3909 • Galveston, Texas 77551 • (409) 763-1271 • P.O. Box 3909 • Galveston, Texas 77552

2005 NOV 4 AM 10 34

21
Doerr
(D. Froman)

JIMMY RASMUSSEN
President • CEO

November 1, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 95105

**Re: Comments Regarding FDIC Application #20051977; Wal-Mart
Application for Insurance and Industrial Bank Charter**

Dear Mr. Carter:

I am writing to oppose the application of Wal-Mart Stores, Inc., for Federal deposit insurance coverage for an ILC charter in Utah. I am a Texas community banker and believe strongly that allowing Wal-Mart to own a bank charter and potentially open branches in its network of stores would do irreparable harm to my community and my institution, and pose a severe systemic risk to our nation's economy.

I am aware that Wal-Mart has stated that it intends to operate a limited ILC charter in Utah. I am skeptical. They already have banks operating in their stores seven days a week offering all types of financial services. Do you really think they want a limited ILC charter to cut back their financial services? This must not be allowed to happen.

Wal-Mart does not open stores in our communities to be civic partners with local merchants; they open stores to drive local merchants out of business and steal their customers, and history shows they are very accomplished at it. The largest company in the world could do the same thing to community banks. The FDIC would be ill-advised to set this nation on a course that could result in the demise of the community banking industry as we know it today.

Congress has reaffirmed our nation's long standing policy against the mixing of banking and commerce, and with good reason. Mixing banking and commerce would create serious conflicts of interest and distort credit decisions. Would a Wal-Mart Bank offer credit at reasonable terms to its competitors? Would Wal-Mart require its suppliers to bank at the Wal-Mart bank?

HomeTown Bank of Galveston Seawall Branch
4424 Seawall Boulevard • Galveston, Texas 77550 • (409) 763-5252 • Fax (409) 763-6175 • P.O. Box 3909 • Galveston, Texas 77552

HomeTown Bank of Friendswood
3211 FM 528 • Friendswood, Texas 77546 • (281) 648-9000 • Fax (281) 648-2387 • P.O. Box 1468 • Friendswood, Texas 77549
E-mail: jrasmussen@hometowngalveston.com

Even more importantly, the largest company in the world owning a bank would produce a dangerous concentration of economic power and resources that would pose severe systemic risks to our economy. Our nation cannot afford to take that risk to save Wal-Mart a couple of pennies on each credit and debit card transaction.

For the sake of the community banks of our nation and the customers and communities we serve, please do not allow Wal-Mart to get into the banking business. Make a statement for fair competition and consumer choice by denying Wal-Mart's application for deposit insurance.

Sincerely,



Jimmy Rasmussen
President & CEO